

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "**Agreement**") is made and entered into as of the 26th day of October, 2000 and amended and restated as of the 16th day of November, 2000, by and between **IRIDIUM LLC**, a Delaware limited liability company and Debtor-In-Possession in bankruptcy ("**Iridium**"), and its subsidiaries, including, but not limited to Iridium (Potomac) LLC, Iridium IP LLC, Iridium Operating LLC, Iridium Roaming LLC, Iridium Capital Corp., and Iridium Promotions, Inc. (collectively "**Subsidiaries**") all of which are also Debtors-In-Possession (Iridium and the Subsidiaries are hereinafter collectively referred to as the "**Seller**"); and **IRIDIUM SATELLITE LLC**, a Delaware limited liability company (the "**Purchaser**").

EXPLANATORY STATEMENT

The Seller owns and operated a satellite communication system, as a Debtor-In-Possession in the Chapter 11 case pending in the United States Bankruptcy Court for the Southern District of New York (the "**USBC**"), Case No. 99-45005 (the "**Bankruptcy Proceeding**"). The parties desire to enter into an agreement pursuant to which the Purchaser will acquire substantially all of the assets of the Seller on the terms and conditions hereinafter set forth.

NOW THEREFORE, for the mutual consideration set out herein, and subject to the approval of the USBC, the parties hereto agree as follows:

1. DEFINITIONS; RULES OF CONSTRUCTION.

1.1. For purposes of this Agreement, the terms set forth below shall have the following meanings:

Affiliate – Except as provided in Section 8.3 any person or entity that directly, or indirectly through one of more intermediaries, controls or is controlled by or is under common control with the person or entity specified. For purposes of this definition, control of the person or entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such person or entity whether by Contract or otherwise.

Assumed Obligations – As defined in Section 3.

Assumption and Assignment Agreement – Each Assumption and Assignment Agreement substantially in the form attached hereto as Exhibit A, together with such other good and sufficient instruments of assumption and assignment, in form and substance reasonably acceptable to Iridium and the Purchaser, as shall be effective to transfer to the Purchaser all of the Seller's right, title and interest in and to the Iridium Contracts, the Iridium Real Property

Leases and the Iridium Satellite Insurance Policy and to cause the Purchaser to assume the Assumed Obligations, all as contemplated by Section 3.

Bankruptcy Code – The United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*

Bankruptcy Proceeding – As defined in the Explanatory Statement.

Bill of Sale – The Bill of Sale substantially in the form attached hereto as Exhibit B, together with such other good and sufficient instruments of conveyance, assignment and transfer, in form and substance reasonably acceptable to the Seller and the Purchaser, as shall be effective to vest in the Purchaser good title to the portion of the Iridium Assets that consists of personal property.

Closing – The closing of the transactions contemplated by this Agreement.

Closing Date – The 10th day following the entry of the USBC Order, or such other date as the parties may mutually agree.

Code – The Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

Deed – The Deed substantially in the form attached hereto as Exhibit C, together with such other good and sufficient instruments of conveyance, assignment and transfer, in form and substance reasonably acceptable to the Seller and the Purchaser, as shall be effective to vest in the Purchaser good title to the portion of the Iridium Assets that consists of real property.

FCC – The United States Federal Communications Commission.

FCC License – The licenses, issued by the FCC with respect to the operation of the System which are held by Motorola for the benefit of the Seller and utilized in connection with the System.

Gateway – Each of the entities that are or were either (i) a strategic equity investor in Iridium ("**Strategic Investor**"), or (ii) an entity affiliated with or under contract with a Strategic Investor having the right to provide Iridium services within certain specified territories including the right to operate regional ground stations used to connect Iridium services to the local public networks. Notwithstanding the preceding sentence, Gateway shall not include Motorola, its Affiliates or its or their subsidiaries.

Gateway Causes of Action – Any (i) preference claims that the Seller has with respect to any Gateway or (ii) claims relating to accounts receivable owed by a Gateway to the Seller.

Governmental or Regulatory Authority – Any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, territory, county, city or other political subdivision.

Iridium Assets – The Iridium Equipment; the Iridium Inventory; the Iridium Owned Intellectual Property; the Iridium Owned Real Property; the Permits; the System; all of the Seller's trade fixtures; any representations, warranties or covenants made by a third party to the Seller with respect to any of the foregoing Iridium Assets; all of the Seller's advertising, marketing and other materials relating to the Iridium Business and its operations; all of the Seller's manuals, product literature, sales literature, catalogs, artwork, logos, proofs, negatives, and positives; all of the Seller's telephone numbers and listings, e-mail addresses and web sites; all of the Seller's distributor lists, suppliers lists, vendors lists, customer lists, sales journals, international regulatory contacts and materials and all related documents; and all other assets not otherwise excluded from sale in this Agreement. Notwithstanding the foregoing, the Iridium Assets do not include: (i) the Iridium Contracts, the Iridium Real Property Leases and Iridium Satellite Insurance Policy (the transfer of which is governed by Section 3), (ii) any cash of the Seller, all funds held in the Seller's bank accounts, deposits, pre-paid expenses (excluding pre-paid expenses for future launches, if any, and pre-paid expenses for the premiums for the Iridium Satellite Insurance Policy), accounts receivable, notes and other rights to receive payment, (iii) any claims or other causes of action under any applicable law (including without limitation statutory law, common law, rules, regulations, or otherwise) that the Seller has (including without limitation any preference claims, fraudulent conveyance claims, claims concerning unauthorized post-petition transfers or other transfers avoidable under Chapter 5 of the Bankruptcy Code), including, without limitation, any Gateway Causes of Action, (iv) any claims or other causes of action under any applicable law (including without limitation statutory law, common law, rules, regulations, or otherwise) that the Seller (and its Chapter 11 estates) has against Motorola, its Affiliates and its or their subsidiaries, and its or their officers, directors, employees, representatives, agents, successors and assigns (including without limitation any preference claims, fraudulent conveyance claims, claims concerning unauthorized post-petition transfers or other transfers avoidable under Chapter 5 of the Bankruptcy Code, claims arising under or relating to the Space System Contract, the Terrestrial Network Development Contract or the Operations and Maintenance Contract, any claims that the statutory committee of unsecured creditors (the "**Committee**") has, or may have, standing to assert against such Motorola entities on behalf of the Seller, or claims that the Seller's creditors have or may have standing to bring against such Motorola entities), (v) [intentionally omitted], (vi) a small amount of computer and miscellaneous equipment located at 2445 M Street, N.W., Washington, D.C., (vii) all corporate files, including but not limited to minute books, personnel files, legal files, proprietary files, and financial records, (viii) any claims arising out of or in connection with Section 4.02 of that certain Limited Liability Company Agreement of Iridium LLC dated as of July 29, 1996, as amended from time to time, (ix) any claims arising out of or in connection with the Motorola Guarantee Obligation (as such term is defined in the Senior Secured Credit Facility), and (x) any insurance policies the Seller has for the benefit of its officers and/or directors.

Iridium Business – The business heretofore operated by Iridium during the course of the Bankruptcy Proceeding.

Iridium Contracts – All executory leases of equipment and other personal property, vendor and supplier agreements, services agreements, intellectual property licenses, franchises, agency arrangements and other contracts to which the Seller is a party and which are in effect on the date hereof, including contracts for future launches which have been pre-paid, if any, but excluding Iridium Real Property Leases and Iridium Satellite Insurance Policy.

Iridium Equipment – All of the following owned by Iridium prior to the Closing Date: all satellites, antennas, switches, earth stations, computers, computer hardware including local area networks, operations consoles, power generators, security equipment, fire control equipment, cabling, furniture, trade fixtures, equipment, machinery, vehicles, rolling stock, tools, parts, attachments, and materials, together with any replacements or additions thereto which are made prior to the Closing Date. The Iridium Equipment shall include the equipment formerly located in the backup control facility in Italy which has been, or will be, shipped to the Seller's satellite network operations center in Leesburg, Virginia by Motorola at no cost to the Purchaser. The Iridium Equipment shall include any interest that the Seller may have in items described in the first sentence of this paragraph that were formerly located in the Data Center and are now located in a temporary staging area. The Iridium Equipment shall include any beneficial interest the Seller may have in items described in the first sentence set forth above which Motorola owns or otherwise holds for the benefit of the Seller.

Iridium Inventory – All of the Seller's inventories and subscriber equipment, and including, if any, satellite parts and equipment, work-in-process and finished goods, but excluding inventory disposed of in the Ordinary Course of the Iridium Business prior to the date hereof. The Iridium Inventory shall include any beneficial interest the Seller may have in items described in the preceding sentence which Motorola owns or otherwise holds for the benefit of the Seller.

Iridium Owned Intellectual Property – All names and logos used by the Seller, including the names "Iridium", and all derivations thereof; all logos, trademarks, service marks, brand names, trade names and goodwill used and associated with such names, the Iridium Business, or the Iridium Assets; and all patents, patent applications, trademarks, software programs, and other intellectual property of any kind or type owned by Iridium and all records, know-how, data, and documentation related to any intellectual property owned by Iridium. The Iridium Owned Intellectual Property shall include any beneficial interest the Seller may have in items described in the preceding sentence which Motorola owns or otherwise holds for the benefit of the Seller.

Iridium Owned Real Property – The Seller's real property and appurtenant rights, and all buildings, and improvements and fixtures located thereon, situated at the location listed on Exhibit D.

Iridium Real Property Leases – The executory real property lease(s) or other agreements in effect on the date hereof which entitle the Seller to use the space located in Inqaluit and Yellowknife, Canada and operated by Telesat, or located in Oahu, Hawaii and operated by Motorola, or located in Iceland and operated by Motorola or its contractor(s), or located in Tempe, Arizona and operated by Iridium North America (which right to use the Tempe space might not extend beyond October 31, 2000). Iridium Real Property Leases shall not include the real property lease for the data center located at Reston, Virginia (the "**Data Center**").

Iridium Satellite Insurance Policy – The satellite-in-orbit liability insurance policy issued to the Seller – policy number G982039, policy period to May 25, 2002, having a limit of liability in the amount of \$500,000,000 combined single limit, premiums for which are currently paid through May 25, 2001.

Liens – Any mortgage, pledge, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, or any conditional sale Contract, title retention contract or other contract to give any of the foregoing.

Motorola – Motorola, Inc., a Delaware corporation.

Order – With respect to any person or entity, any judgment, order, writ or decree of any court, arbitrator or governmental agency by which such person or entity or any of its assets or properties is bound.

Ordinary Course – As to the Seller, the conduct of its operations in the course of liquidating the assets of the Seller as part of the Bankruptcy Proceeding.

Permits – All governmental licenses, permits and authorizations held by the Seller that are necessary for the use or operation of the Iridium Business as heretofore operated or the Iridium Assets used in connection therewith. Permits shall include any beneficial interest the Seller may have in the FCC License. Such beneficial interest in the FCC License shall include the Seller's beneficial interest in items described in the preceding sentence – if any – (x) which Motorola claims to own or in which it is claiming or may claim an interest and (y) which it holds for the benefit of the Seller.

Purchase Price – As defined in Section 4.1.

Purchaser – As defined in the introductory paragraph of this Agreement.

Regulations – Any laws, statutes, ordinances, regulations, rules, court decisions and orders of any foreign, federal, state or local government and any government department or agency including without limitation environmental laws, energy, motor vehicle and aviation safety, public utility, zoning, building and health codes, occupational safety and health regulations, laws relating to employment practices employee documentation, terms and conditions of employment and wages and hours.

Senior Secured Credit Facility – That certain Senior Secured Credit Agreement among Iridium Operating LLC, certain institutional lenders ("**Lenders**") and The Chase Manhattan Bank ("**Chase**"), individually and as administrative and collateral agent ("**Agent**") for the Lenders, and certain other parties, dated as of December 23, 1998, as modified by a certain Waiver dated as of March 16, 1999, a certain Waiver and Amendment No. 1 dated as of May 28, 1999, and a certain Waiver and Amendment No. 2 dated as of June 29, 1999 (as amended, "**Senior Secured Credit Facility**").

Senior Secured Lenders – The Chase Manhattan Bank, as Agent under the Senior Secured Credit Facility and the Senior Guaranteed Credit Facility.

Subsidiaries – As defined in the introductory paragraph of this Agreement.

System – The Iridium® Satellite Communications System which is part of the Iridium Assets.

Termination Notice – Written notice delivered by the Seller or the Purchaser to the other terminating this Agreement.

Transition Services Agreement – The agreement between the Purchaser and Motorola under which Motorola is agreeing to provide certain products, services, and support to the Purchaser and which is intended by the Purchaser and Motorola to supercede any arrangements between the Seller and Motorola.

USBC – As defined in the Explanatory Statement.

USBC Order – The order of the USBC approving the sale of the Iridium Assets to the Purchaser pursuant to the terms of this Agreement under Section 363 of the Bankruptcy Code and, if necessary and applicable, under Section 365 of the Bankruptcy Code (including a finding that the Purchaser is a good faith purchaser within the meaning of Section 363(m) of the Bankruptcy Code), substantially in the form attached hereto as Exhibit F; which Order shall not be stayed at the time of Closing.

1.2. The Explanatory Statement is hereby incorporated into this Agreement and made a part hereof.

1.3. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

1.4. References in this Agreement to the "knowledge" of an entity shall mean the actual knowledge of the chief operating officer, general counsel, and chief financial officer of such entity, to the extent applicable.

1.5. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, to the singular include the plural, to the part include the whole, and to the male gender shall also pertain to the female and neuter genders and vice versa. The term "including" is not limiting, and the term "or" has the inclusive meaning represented by the phrase "and/or". The words "hereof", "herein", "hereby", "hereto", "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, Schedule, Exhibit and clause references are to this Agreement unless otherwise specified.

2. PURCHASE OF THE IRIIDIUM ASSETS.

2.1. On the terms and subject to the conditions set forth in this Agreement, the Seller hereby agrees to sell, transfer and assign to the Purchaser, and the Purchaser hereby agrees to purchase from the Seller, on the Closing Date, all of the right, title and interest of the Seller in and to (i) all of the Iridium Assets and the Iridium Satellite Insurance Policy, and (ii) such portion of the Iridium Contracts and the Iridium Real Property Leases as the Purchaser has requested or shall request be assumed and assigned to it pursuant to Section 3. The Purchaser, at its option, may designate one or more direct or indirect subsidiaries of the Purchaser (collectively with the Purchaser, "Newco") to purchase all or a portion of the components of the Iridium Assets, the Iridium Contracts, the Iridium Real Property Leases and the Iridium Satellite Insurance Policy, or to which the Purchaser will sell, transfer and assign all or a portion of the Iridium Assets, the Iridium Contracts, the Iridium Real Property Leases and the Iridium Satellite Insurance Policy.

2.2. EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, THE IRIIDIUM ASSETS, THE IRIIDIUM CONTRACTS, THE IRIIDIUM REAL PROPERTY LEASES AND THE IRIIDIUM SATELLITE INSURANCE POLICY ARE BEING CONVEYED ON AN AS-IS, WHERE-IS BASIS WITHOUT ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, MADE BY THE SELLER.

2.3. On October 18, 2000, Motorola on behalf of the Purchaser deposited with the Seller \$200,000.00 as a good faith deposit (the "**Initial Deposit**") in accordance with the Deposit Letter attached hereto as Exhibit G-1. Subject to the following sentence, the Initial Deposit shall be refunded to Motorola only in accordance with the terms of the Deposit Letter. On or prior to noon on November 15, 2000, Purchaser shall make an additional deposit with Seller of \$1,300,000 as a further good faith deposit (the "**Additional Deposit**") and shall enter into an escrow agreement with the Seller (the "**Escrow Agreement**") substantially in the form attached hereto as Exhibit G-2; following the execution of the Escrow Agreement, the Initial Deposit shall be refunded to Motorola only in accordance with such Escrow Agreement.

3. ASSUMPTION OF LIABILITIES.

3.1 The Purchaser will not assume any of the liabilities, contingent or otherwise, of the Seller for borrowed money, deferred purchase price of goods or services,

refunds, payables, taxes, litigation, fines or penalties, labor agreements, employee obligations, under capital leases, as a guarantor of any other person or entity, or otherwise, except for liabilities arising after the Closing pursuant to Assumed Obligations.

3.2 For purposes of this Agreement, Assumed Obligations shall mean as of the Closing: (i) the Iridium Satellite Insurance Policy, (ii) the Iridium Contracts assumed pursuant to Section 3.3 and the Iridium Real Property Leases, and (iii) any and all obligations, if any, of the Seller with respect to any de-orbiting occurring after the Closing Date of one or more of the satellites conveyed hereby to the Purchaser.

3.3 The Purchaser may, with the consent of the Seller (which shall not be unreasonably withheld), submit a list of Iridium Contracts and Iridium Real Property Leases that the Purchaser wishes to have the Seller assume and have assigned to the Purchaser and that were not previously the subject of an assumption and assignment motion (the "**Additional Contracts**") within sixty (60) days from the Closing Date. The Seller shall promptly request and diligently pursue the approval of the USBC of the assumption and assignment of the Additional Contracts. The Purchaser shall assist the Seller in obtaining such approval. The Seller shall make reasonable efforts to submit the request for USBC authority to assume and assign such Additional Contracts within ten (10) Business Days of its receipt of the request described in the first sentence of this paragraph. The Seller's assumption and assignment to the Purchaser and the Purchaser's assumption on the terms set forth in this Agreement of all Additional Contracts will be in accordance with the Bankruptcy Code, and the requirements of section 365(b)(1) of the Bankruptcy Code with respect thereto will be satisfied. Additional Contracts for which USBC approval is sought and obtained shall constitute Assumed Obligations under this Agreement and the parties shall execute an Assumption and Assignment Agreement with respect thereto. All subject matter of agreements not so assigned by the Seller to the Purchaser shall remain the property of the Seller, and the Seller may remove or dispose of such subject matter as it deems appropriate in its sole and absolute discretion.

3.4 With respect to any of the Iridium Contracts that the Purchaser has indicated should be assumed by the Purchaser and assigned to it pursuant to this Section 3, the Purchaser shall be responsible for all costs of cure and for providing adequate assurance of future performance in accordance with the Bankruptcy Code. The Purchaser may, at any time prior to the entry of an order authorizing the assumption of any Iridium Contracts hereunder and the assignment of those contracts to the Purchaser, withdraw its request for assumption and assignment pursuant hereto.

4. CONSIDERATION.

4.1. The consideration for the Iridium Assets is : (i) the assumption of the Assumed Obligations; (ii) five percent (5%) of the equity in the Purchaser (the "**Equity**"); and (iii) Twenty-Five Million Dollars (\$25,000,000) (the "**Purchase Price**"). Of the Purchase Price, Six Million Five-Hundred Thousand Dollars (\$6,500,000) (the "**Closing Payment**") shall be payable as provided in the following sentence at the Closing and Eighteen Million Five-Hundred Thousand Dollars (\$18,500,000) (the "**Deferred Payment**") shall be deferred and paid

substantially on the terms set forth on Exhibit H (the "**Convertible Debt**"). The Closing Payment less the Deposit shall be paid at the Closing, net of the deductions pursuant to Section 4.2, by wire transfer of immediately available funds in accordance with instructions provided by Iridium to the Purchaser. At the Closing, the Deposit shall be treated as part of the Purchase Price in accordance with the Deposit Letter.

4.2. All prepaid rents, utility bills, license fees and other prepaid expenses of the Seller as of the Closing Date, and all expenses to be paid following the Closing with respect to periods prior to the Closing Date, shall be prorated between the Seller and the Purchaser so that all such expenses with respect to periods prior to the Closing Date shall be paid by the Seller and all such expenses with respect to periods from and after the Closing Date shall be paid by the Purchaser. If the net adjustment of all such amounts results in a payment due by the Purchaser to the Seller, such net amount shall be paid at the Closing, and if the net adjustment of all such amounts results in a payment due by the Seller to the Purchaser, such net amount shall be deducted from the Closing Payment.

4.3. The Purchaser shall allocate the total Purchase Price among the Iridium Assets within sixty (60) business days after Closing, and upon such allocation the parties shall initial and attach such allocation schedule hereto as Schedule 4.3. This allocation shall not be binding on the Seller or its creditors in connection with any allocation of value of the Seller's assets for purposes of distributions in the Bankruptcy Proceeding.

5. CLOSING.

5.1. The Closing shall take place at the offices of Wilmer, Cutler & Pickering at their offices in Washington, D.C., on the Closing Date at 10:00 a.m., local time, or at such other time and place as shall be agreed upon by the parties hereto.

5.2. At the Closing (i) the Seller will assign and transfer to the Purchaser all of the Seller's right, title and interest in and to the Iridium Assets (free and clear of all Liens as provided in the USBC Order) by delivery of the Bill of Sale and the Deed, and all other instruments necessary or advisable to transfer the Iridium Assets, all duly executed by the Seller, (ii) the Seller will assign and transfer to the Purchaser the Iridium Contracts and Iridium Real Property Leases, and the Purchaser will assume from the Seller the due payment, performance and discharge of the Assumed Obligations set forth in Section 3.2, by delivery of the Assumption and Assignment Agreement in form and substance reasonably acceptable to both the Purchaser and the Seller and duly executed by the Purchaser and the Seller, (iii) the Purchaser shall deliver to the Seller certificates representing the Equity and shall deliver to the Seller by wire transfer of immediately available funds the Closing Payment less the Deposit, (iv) the Purchaser shall deliver to the Seller convertible debt instruments representing the Deferred Payment, (v) the Deposit shall be credited toward the Purchase Price, and (vi) the parties shall deliver any certificates and other contracts, documents and instruments required to be delivered by them, respectively, as set forth in Sections 11 and 12.

6. INTENTIONALLY OMITTED.

7. REPRESENTATIONS AND WARRANTIES OF THE SELLER.

The Seller represents and warrants to the Purchaser as follows:

7.1. Existence and Good Standing. Each of Iridium Operating LLC, Iridium LLC, Iridium (Potomac) LLC, Iridium Capital Corp., Iridium IP LLC, Iridium Roaming LLC and Iridium Promotions, Inc. is a limited liability company or corporation, as the case may be, duly organized, validly existing, and in good standing under the laws of its state of formation, has the entity power and authority to own, lease, and operate its properties and carry on its business as now being conducted by it. The Subsidiaries are the only entities owned by Iridium that hold or own, directly or indirectly, any assets, contracts, equipment, licenses, leased or owned property which was heretofore used by Iridium in connection with the operation of the Iridium Business.

7.2. Authorization. Subject to the USBC Order, this Agreement and the performance of the Seller's obligations hereunder and all the documents executed by the Seller which are to be delivered to the Buyer at the Closing are, or on the Closing Date will be, duly authorized, executed and delivered by the Seller, and are, or at the Closing Date will be, legal, valid and binding obligations of the Seller, and do not, and on the Closing Date will not, violate any provisions of any agreement or Order to which the Seller is a party or to which the Seller or the Iridium Assets are subject. Other than the approval of the USBC, no approval, authorization, consent, clearance, order or other action of, or filing (other than notice) with, any person, firm or corporation, or any court, administrative agency or other governmental authority, is required in connection with the execution and delivery by the Seller of this Agreement or the performance by it of the transactions described herein.

7.3. Title to Property. On the Closing Date, Seller will have, good and marketable title to all of the Iridium Assets, subject to the authority of the USBC and the effects of the Bankruptcy Proceeding.

7.4. Iridium Assets. The Iridium Assets and the Iridium Satellite Insurance Policy include all assets owned and used by the Seller in the conduct of the Iridium Business as heretofore conducted by it other than (i) the Iridium Contracts and the Iridium Real Property Leases, (ii) assets disposed of, rejected or terminated by the Seller in accordance with orders entered by the USBC prior to the date hereof, (iii) other assets disposed of in the Ordinary Course of the Iridium Business and (iv) certain contracts with Motorola, its subsidiaries and its or their Affiliates.

7.5. Iridium Owned Intellectual Property. To the Seller's knowledge, Schedule 7.5 contains a true and complete list and brief description of all Iridium Owned Intellectual Property.

7.6. Iridium Contracts and Leases. To the Seller's knowledge, Schedule 7.6 contains a true and complete list of all Iridium Contracts and Iridium Real Property Leases

(i) that involve required payments in any consecutive 12-month period or otherwise representing required annualized costs to the Seller of \$100,000 or more or representing required aggregate payments by the Seller of \$100,000 over the term of any such agreement or arrangement (without regard to the amount of annualized payments or costs) or (ii) that are material to the Iridium Business as heretofore conducted by Iridium to be transferred to the Purchaser. Except as disclosed on such Schedule, each such contract is valid, binding in full force and effect, there are no outstanding violations of such contracts, and no proceedings are pending or, to the Seller's knowledge, threatened to terminate such contracts. Except for the bankruptcy filing and the financial circumstances that led to the bankruptcy filing, no event has occurred which would constitute (whether with or without notice, lapse of time or the happening or occurrence of any other event) a material default by the Purchaser under any of the contracts set forth in such Schedule.

7.7 Permits. To the Seller's knowledge, Schedule 7.7 contains a true and complete list and brief description of the Permits. To the best of the Seller's knowledge, true and correct copies of all items set forth on such Schedule have been made available to the Purchaser and, except as disclosed on such Schedule, each such Permit is valid, binding in full force and effect, there are no outstanding violations of the Permits, and no proceedings are pending or, to the Seller's knowledge, threatened to revoke or limit the use of such Permits. Except for the bankruptcy filing and the financial circumstances that led to the bankruptcy filing, no event has occurred which would constitute (whether with or without notice, lapse of time or the happening or occurrence of any other event) a material default by the Purchaser under any of the Permits set forth in such Schedule.

7.8. Compliance. To the Seller's knowledge, it has heretofore complied with and is in compliance with all Regulations which, if not complied with, would materially and adversely affect the Iridium Business as heretofore conducted by Iridium in the Ordinary Course.

7.9. Environmental Studies. There have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted by, or that are in the possession of, the Seller in relation to any site or facility now or previously owned, operated or leased by the Seller on any of the real property which have not been delivered to the Seller prior to the execution of this Agreement.

7.10. Accuracy of Representations. All representations and warranties with respect to the Seller are true and correct as of the date hereof. This Agreement does not contain, and no statement contained in the Schedules or in any certificate, list or writing furnished by or on behalf of the Seller to the Purchaser pursuant to any provision of this Agreement contains, any untrue statement of a material fact with respect to the Seller or omit to state any material fact with respect to the Seller necessary to make the statements contained herein not misleading.

8. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER.

The Purchaser represents and warrants to the Seller as follows:

8.1. Existence and Good Standing. The Purchaser is a limited liability company duly organized, validly existing, and in good standing under the laws of Delaware, and has the power and authority to own, lease, and operate its properties and carry on its business as now being conducted by it.

8.2. Power and Authority; Authorization. The Purchaser has full power and authority to enter into, execute and deliver this Agreement, and to perform each of its obligations hereunder. Subject to the USBC Order, this Agreement and the performance of the Purchaser's obligations hereunder and all the documents executed by the Purchaser which are to be delivered to the Seller at the Closing are, or on the Closing Date will be, duly authorized, executed and delivered by the Purchaser, and are, or at the Closing Date will be, legal, valid and binding obligations of the Purchaser, and do not, and on the Closing Date will not, violate any provisions of any agreement or Order to which the Purchaser is a party or to which the Purchaser is subject. Other than the approval of the USBC and the approval of the FCC for the transfer of the FCC License to the Purchaser, no approval, authorization, consent, clearance, order or other action of, or filing (other than notice) with, any person, firm or corporation, or any court, administrative agency or other governmental authority, is required in connection with the execution and delivery by the Purchaser of this Agreement or the performance by it of the transactions described herein.

8.3. Disclosure of Interests. Schedule 8.3 discloses, to the knowledge of the Purchaser, (x) any past or present (or any anticipated future) relationship between the Purchaser or any of the Purchaser's affiliates, on the one hand, and any of the Seller's present board members, officers, advisers and professionals, on the other hand, and (y) any other past or present (or any anticipated future) relationship of the Purchaser or any of the Purchaser's affiliates to the Seller, Motorola, the Senior Secured Lenders and/or Donaldson, Lufkin & Jenrette. For purposes of this paragraph, "affiliate" of a person shall mean (i) such person's principals, officers, directors and equity owners, as well as (ii) any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person.

8.4. Accuracy of Representations. All representations and warranties set forth herein with respect to the Purchaser are true and correct as of the date hereof. This Agreement does not contain any untrue statement of a material fact with respect to the Purchaser or omit to state any material fact with respect to the Purchaser necessary to make the statements contained herein not misleading.

9. COVENANTS OF THE SELLER.

The Seller covenants and agrees as follows:

9.1. In connection with this Agreement, the Purchaser and the Gateways may enter into agreements pursuant to which the Gateway may agree to transfer to the Purchaser certain licenses and/or equipment relating to the operation of the Iridium System to the extent that such licenses and/or equipment are held by the relevant Gateway or its Affiliates. In the event that the Purchaser submits to the Seller satisfactory proof that any such agreements have been entered into by the Purchaser (and/or its Affiliates) and any of the Gateways on or before August 1, 2001, the Seller will take such steps – as reasonably directed by the Purchaser – as necessary to cause to be waived, released and extinguished the Gateway Causes of Action of the Seller relating to each Gateway for which such license and/or equipment transfers were obtained.

9.2. The Seller will use all commercially reasonable efforts to cooperate with the Purchaser in promptly seeking all consents, approvals or authorizations necessary to assign or transfer the Permits, the Iridium Contracts listed and Iridium Real Property Leases and the Iridium Satellite Insurance Policy in accordance herewith; and use all commercially reasonable efforts to take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or appropriate to close the transactions contemplated by this Agreement.

9.3. The Seller will (i) provide the Purchaser and any person who is considering providing financing to the Purchaser to finance all or any portion of the Purchase Price (it being understood that the transactions contemplated by this Agreement are not contingent on the Purchaser obtaining any form of financing) and their respective officers, directors, employees, agents, counsel, accountants, financial advisors, consultants and other representatives (collectively, "**Representatives**") with full access, upon reasonable prior notice and during normal business hours, to the officers, employees and agents of the Seller who have any responsibility for the conduct of the Iridium Business, to the Seller's accountants and to the Iridium Assets, and (ii) furnish the Purchaser and such other persons with all such information and data concerning the Iridium Business, the Iridium Assets and the Assumed Obligations as the Purchaser or any of such other persons reasonably may request in connection with such investigation.

9.4 Notwithstanding the Sections 9.2 and 9.3, the Purchaser acknowledges that the Seller has ceased operations and terminated the employment of virtually all of its employees. As a result, the Seller may not have employees available to assist the Purchaser in obtaining the consents and approvals described above and may not be able to provide the Purchaser with access to persons no longer employed by Iridium.

10. COVENANTS OF THE PURCHASER.

The Purchaser will use all commercially reasonable efforts to take, or cause to be taken, all actions and do, or cause to be done, all other things necessary, proper or appropriate timely to close the transactions contemplated by this Agreement.

11. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLER.

The Seller's obligation to close the transactions pursuant to this Agreement is contingent on the fulfillment, at or prior to the Closing Date, of each of the following conditions to the reasonable satisfaction of the Seller in its judgment (which judgment will not be unreasonably exercised), any of which conditions may be waived in writing, in whole or in part, by the Seller:

11.1. The USBC shall have issued the USBC Order; provided that no changes may be made to Exhibit F hereto that are material to the Seller without the prior consent of the Seller.

11.2. The representations and warranties made by the Purchaser contained in this Agreement or in any certificate or document delivered by, or at the direction of, the Purchaser to the Seller pursuant to the provisions hereof shall be true at and as of the time of the Closing as though such representations and warranties were made at and as of such time.

11.3. The Purchaser shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing.

11.4. The Seller shall have received the duly executed Assumption and Assignment Agreement covering the Assumed Obligations contemplated by Section 3.2.

12. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE PURCHASER.

The Purchaser's obligation to close the transactions pursuant to this Agreement is contingent on the fulfillment, at or prior to the Closing Date, of each of the following conditions to the reasonable satisfaction of the Purchaser in its judgment (which judgment will not be unreasonably exercised), any of which conditions may be waived in writing, in whole or in part, by the Purchaser:

12.1. The USBC shall have issued the USBC Order, which provides for the rejection by Seller of certain executory contracts then existing between Seller, on the one hand, and Motorola or its affiliates, on the other, as specified in the USBC Order; provided that no changes may be made to Exhibit F hereto that are material to the Purchaser without the prior consent of the Purchaser. Notwithstanding anything herein to the contrary, the conditions set forth in this Section 12.1 relating to the rejection of contracts shall be deemed waived by the Purchaser if Motorola waives in writing the conditions set forth in Sections 11.A and 11.G in the Transition Services Agreement.

12.2. The representations and warranties by the Seller contained in this Agreement or in any certificate or document delivered by, or at the direction of, the Seller to the Purchaser pursuant to the provisions hereof shall be true at and as of the time of the Closing as though such representations and warranties were made at and as of such time.

12.3. The Seller shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing.

12.4. The Seller shall have delivered to the Purchaser all of the exhibits and schedules required herein to be delivered by the Seller, and copies of the documents referred to therein, each duly executed, if required, and such exhibits, schedules and documents shall have been reasonably acceptable to the Purchaser.

12.5. There shall not have been any material damage, loss, destruction, or condemnation to the Iridium Assets or the nature, extent and operating condition or capabilities of the Iridium Assets and the systems related thereto from the date hereof.

12.6. Motorola shall have received a letter from The Chase Manhattan Bank ("**Chase**"), as agent for Seller's Senior Secured Lenders, acknowledging that Motorola has no obligation to pay any amounts to Chase or any of the other participants in the Senior Secured Credit Facility as a result of that certain Lockup Agreement, dated February 25, 2000, by and among New Iridium Corporation, New Satco Holdings, Inc, Motorola and certain lenders to Iridium.

12.7. Prior to 8:00 p.m. on November 21, 2000, certain arrangements by and among the Purchaser, Motorola, Boeing and the U.S. Government, previously discussed with the Seller, shall have been completed to the reasonable satisfaction of the Purchaser.

12.8. Intentionally omitted.

12.9. The Purchaser shall have received the duly executed Bill of Sale, the duly executed Deed and a duly executed Assumption and Assignment Agreement covering the Assumed Obligations contemplated by Section 3.2.

12.10. No Order restraining the closing of the transactions contemplated by this Agreement shall have been issued, and no law or Regulations shall have been adopted making all or any part of the transactions contemplated by this Agreement illegal.

13. LIMITATION AS TO MOTOROLA.

Notwithstanding any provisions herein to the contrary, including any provisions which in any way purport, state, provide or imply that the Seller has or may have any rights to existing contracts to which Motorola is a party or to assets in which Motorola has any rights, the parties hereto acknowledge and agree that (1) Motorola, its subsidiaries and its or their Affiliates shall have no obligations or liabilities of any type whatsoever with respect to, in connection with or in any way related to the ownership, financing, operation or any termination of the Iridium Business occurring after the Closing Date by the Purchaser or any other entity other than as specifically set forth in the Transition Services Agreement, (2) the obligations, if any, of

Motorola, its subsidiaries and its or their Affiliates to deliver goods or services to the Seller after the Closing Date under all contracts, agreements, and arrangements, including, without limitation, the Space System Contract, Operations and Maintenance Contract, Terrestrial Network Development Contract, Engineering Assistance Agreement, and Dynamic Channel Management Contract and Support Agreement, relating to the Iridium Business as conducted prior to or after the Closing Date shall cease as of the Closing Date, (3) neither Motorola nor any of its subsidiaries nor any of its or their Affiliates shall have any obligation to provide to the Purchaser or any successor or assignee thereof any rights to assets in which Motorola has rights (whether as owner, lessee or otherwise) except as specifically set forth in the Transition Services Agreement, irrespective of whether or not Motorola may have provided any such rights to the Seller prior to the Closing Date and (4) the fact that Seller in any way purports, states, provides or implies in the Asset Purchase Agreement or otherwise that it has rights to any asset does not constitute an admission by Motorola that the Seller may have any rights to such assets. Nothing in clause (1) or (2) of the previous sentence shall constitute a waiver or release by Iridium, any of its Affiliates or Subsidiaries, its or their Chapter 11 estates, or any creditors and/or equity holders of Iridium, or their Affiliates or subsidiaries (collectively, "**Potential Iridium Claimants**") with respect to any of their claims against Motorola, its subsidiaries and its or their Affiliates, and its or their directors, officers, employees, representatives, agents, successors and assigns, including, without limitation, preference claims, fraudulent conveyance claims, claims concerning unauthorized post-petition transfers or other transfers avoidable under Chapter 5 of the Bankruptcy Code, claims arising under or relating to the Space System Contract, the Terrestrial Network Development Contract or the Operations and Maintenance Contract, any claims or potential claims that Iridium's (and its subsidiaries' and affiliates') chapter 11 estates or the Committee has, or may have, standing to assert against such entities on behalf of the Seller, and claims Potential Iridium Claimants may assert individually or collectively against Motorola or shall constitute a waiver or release by Motorola, its Affiliates or its or their subsidiaries with respect to any of their claims against any of the Potential Iridium Claimants.

14. NOTICES.

All notices, writings and other communications required or permitted to be given pursuant to this Agreement shall be in writing, and if such notices are hand-delivered or faxed, return fax acknowledgement requested, to the address set forth below, they shall be deemed to have been received on the business day so delivered or transmitted; if such notices are transmitted by overnight courier, to the address set forth below, they shall be deemed to have been received on the business day following the date on which so transmitted, provided that any notice, writing or other communication received after 5:00 p.m., Eastern Time, shall be deemed to have been received on the next business day:

The Seller: Iridium LLC
c/o Alvarez and Marsal
599 Lexington Ave
Suite 2700
New York, NY 10022
Fax (212) 759-5532
Attn: David Gibson

With a copy to: Wilmer, Cutler & Pickering
2445 M Street, N.W.
Washington, DC 20037-1420
Fax (202) 663-6363
Attn: William J. Perlstein and Eric R. Markus

The Purchaser: Iridium Satellite LLC
Neuberger, Quinn, Gielen, Rubin & Gibber, P.A.
One South Street, 27th Floor
Baltimore, MD 21202-3201
Fax (410) 332-8511
Attn: Isaac M. Neuberger, Esquire

With a copy to: Isaac M. Neuberger, Esquire
Neuberger, Quinn, Gielen, Rubin & Gibber, P.A.
One South Street, 27th Floor
Baltimore, MD 21202-3201
Fax (410) 332-8511

Any party may change its address for notice or payment purposes by giving notice the other parties as hereinabove provided.

15. EXPENSES.

15.1. Except as otherwise provided herein, each party hereto shall be responsible for and bear all of its own costs and expenses (including the expenses of its representatives) incurred at any time in connection with negotiation, due diligence and closing the transaction described herein.

15.2. Each party hereto shall pay all income taxes and other taxes based on its taxable income which may be required as a result of the transactions contemplated hereby. The Purchaser will pay any sales, transfer or franchise taxes arising out of the transfer of the Iridium Assets hereunder.

16. BREAK-UP FEE.

16.1. If at any time prior to the Closing (or, if earlier, the termination of this Agreement by mutual agreement pursuant to Section 17.1.1 or by the Seller pursuant to Section 17.1.2), (x) the Seller accepts, or enters into, an agreement relating to, or an application is made to the USBC for approval of, another transaction in which substantially all of the Seller's equity interests or the Iridium Assets, including the System, are to be sold, issued, transferred or otherwise disposed of, including a plan of reorganization for the Seller in which the Seller emerges as a going concern (each, an "**Alternate Transaction**"), and (y) the Alternate Transaction is approved by the USBC, then the Seller will reimburse the Purchaser for its actual and reasonable out-of-pocket expenses and costs incurred after July 28, 2000, in connection with the transactions contemplated by this Agreement, including amounts incurred in connection with the Purchaser's due diligence investigation and its legal and advisory fees (not to exceed \$1,000,000) (collectively, the "**Break-Up Fee**"). The Break-Up Fee will be payable by the Seller in cash upon closing of such Alternate Transaction.

16.2. If the parties do not proceed to Closing as a result of the Seller's material breach of any obligations set forth in this Agreement and the Purchaser terminates this Agreement pursuant to Section 17.1.2, the Purchaser shall be entitled to be paid, as liquidated damages, the amounts set forth Section 16.1. Such liquidated damages shall be payable five business days after the Seller's receipt of written notice from the Purchaser of such breach if such breach is not cured by the Seller within such five business day period.

17. TERMINATION OF AGREEMENT.

17.1. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing, by written notice from the party terminating the Agreement to the other party, as follows:

17.1.1. By Mutual Consent. By the mutual written consent of the Seller and the Purchaser.

17.1.2. By Either Party. At any time before the Closing, by the Seller or the Purchaser, in the event of a material breach hereof by the non-terminating party if such non-terminating party fails to cure such breach within five business days following written notification thereof by the terminating party.

17.2. Automatic. This Agreement shall terminate automatically without any action by any party if (x) the condition specified in Section 12.7 has not been satisfied by November 21, 2000, or (y) the Closing Date shall have not have occurred on or prior to November 30, 2000; provided, however, that either or both clauses of this provision may be waived or extended upon the written consent of each of the Buyer, the Seller, Motorola, the Committee and the Agent, which consent may be withheld by any such person for any reason or for no reason.

18. EFFECT OF WAIVER.

The failure of any party at any time or times to require performance of any provision of this Agreement will in no manner affect the right to enforce the same. The waiver by any party of any breach of any provision of this Agreement will not be construed to be a waiver by any such party of any succeeding breach of that provision or a waiver by such party of any breach of any other provision.

19. SEVERABILITY.

The invalidity, illegality or unenforceability of any provision or provisions of this Agreement will not affect any other provision of this Agreement, which will remain in full force and effect, nor will the invalidity, illegality or unenforceability of a portion of any provision of this Agreement affect the balance of such provision. In the event that any one or more of the provisions contained in this Agreement or any portion thereof shall for any reason be held to be invalid, illegal or unenforceable in any respect, this Agreement shall be reformed, construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

20. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with, the laws of the State of New York without regard to conflict of law principles.

21. ENFORCEMENT.

21.1 Any suit, action or proceeding with respect to this Agreement, shall be brought in the USBC. The parties hereto hereby accept the exclusive jurisdiction of those courts, as set forth above, for the purpose of any such suit, action or proceeding.

21.2 The parties hereto hereby irrevocably waive, to the fullest extent permitted by law, any objection that any of them may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any judgment entered by any court in respect thereof brought as set forth above, and hereby further irrevocably waive any claim that any suit, action or proceeding so brought, has been brought in an inconvenient forum.

21.3 The parties hereto acknowledge and agree that any party's remedy at law for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and such breach or threatened breach shall be per se deemed as causing irreparable harm to such party. Therefore, in the event of such breach or threatened breach, the parties hereto agree that, in addition to any available remedy at law, including but not limited to monetary damages, an aggrieved party, without posting any bond, shall be entitled to obtain, and the offending party agrees not to oppose the aggrieved party's request for, equitable relief in the form

of specific enforcement, temporary restraining order, temporary or permanent injunction, or any other equitable remedy that may then be available to the aggrieved party.

22. BINDING AGREEMENT; ASSIGNMENT.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall not be assignable by any party hereto except as provided herein or with the prior written consent of the other parties. The Purchaser may assign its rights hereunder to any wholly-owned subsidiary of the Purchaser or in connection with any financing arrangement that the Purchaser or such wholly owned subsidiary may enter into, *provided*, that the Purchaser shall remain obligated for all obligations to the Seller hereunder.

23. ENTIRE AGREEMENT; MODIFICATION.

This Agreement, which includes all schedules and exhibits hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, superseding, except as otherwise provided herein, all prior negotiations, correspondence, understandings and agreements, between the parties; no amendment or modification of this Agreement shall be binding on the parties unless made in writing and duly executed by all parties. There are no oral or implied agreements and no oral or implied warranties between the parties hereto other than those expressed herein.

24. FURTHER ASSURANCES.

Each of the parties hereto agrees to execute, acknowledge, seal and deliver, after the date hereof and after the Closing, such further assurances, instruments and documents and to take such further actions as the other may reasonably request in order to fulfill the intent of this Agreement and the transactions contemplated hereby.

25. COUNTERPARTS.

This Agreement may be executed in counterparts, all of which taken together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

THE SELLER:

IRIDIUM LLC

By: _____
Name: _____
Title: _____

THE PURCHASER:

IRIDIUM SATELLITE LLC

By: _____
Name: _____
Title: _____

ASSET PURCHASE AGREEMENT

INDEX OF SCHEDULES AND EXHIBITS

Schedule

3.2	-	Intentionally Omitted
4.3	-	Allocation of Purchase Price
7.5	-	Iridium Owned Intellectual Property
7.6	-	Iridium Contracts
7.7	-	Permits
8.3	-	Disclosure of Interests

Exhibit

A	-	Assumption and Assignment Agreement
B	-	Bill of Sale
C	-	Deed
D	-	Real Property Location
E	-	Intentionally Omitted
F	-	USBC Order
G-1	-	Deposit Letter
G-2	-	Escrow Agreement
H	-	Form of Convertible Debt

The information disclosed on any Schedule is deemed to be disclosed on all other relevant Schedules to this Agreement.